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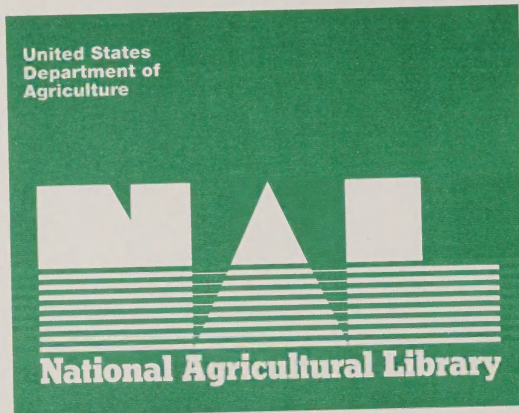


Secretary's Forum on Farm Income and Agricultural Policy

Arizona State University
Tempe, Arizona

September 8, 1993

Summary Report

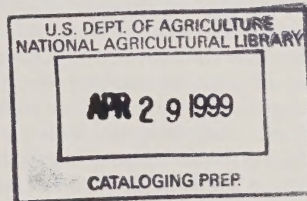


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Note: Major themes, recommendations, and summaries are presented without editorial comment or attempts to include opposing viewpoints. Inclusion of a statement does not necessarily imply USDA agreement as to the validity or accuracy of the information presented.

Executive Summary

The first forum on farm income and agricultural policy was held in Washington D.C., August 2, 1993, and was followed by three regional forums held throughout the United States. The first regional forum was held in Tempe, Arizona, at the Memorial Union of the Arizona State University on September 8, 1993. This forum was cosponsored by Arizona State University and introductory remarks were made by Dr. Ron Barr, Associate Vice President for Research, Arizona State University.

Forum participants were requested to provide suggestions on ways to improve farm income and increase agricultural exports for U.S. farmers and agribusiness. The purpose of these forums was to gather input about the direction of agricultural policy over the next several years. Each participant was asked to address the following key issues: What is changing in U.S. agriculture? What are the issues that must be dealt with in the next few years? What adjustments or reforms are needed in domestic farm programs and international agricultural programs now and over the longer term?

At Tempe, five USDA representatives under the leadership of the Under Secretary for International Affairs and Commodity Programs, Eugene Moos, listened to participants on 10 panels. There was also a paper submitted by one group who could not speak at the forum. Participants included farmers, representative farm organizations, the food and service industry, consumer and environmental groups, government leaders, students, concerned citizens, and consultants. Each participant had 3 minutes to present his or her views. The USDA representatives explored additional questions and issues with each panel member at the conclusion of each panel's remarks, time permitting.

Thirty-nine people presented their views. One statement was submitted for the record by an organization unable to make a presentation. Major themes presented ranged from traditional farm programs to streamlining the Federal Government. Many views expressed a need for higher farm income. However, the means for achieving improved farm income differed. Some wanted higher loan rates that would stimulate market prices and decrease deficiency payments, accompanied by increased acreage reduction requirements. The cotton industry supported the existing price support programs and urged that they be continued. They stated that they have difficulty financing their operations or crop loans from their equity and rely upon collateral provided by USDA's cotton program. Other producers suggested that price supports be targeted to units of production and capped to limit government budget exposure. Some participants stated that production disincentives and federally financed reserves and set-aside programs are not the long-range solution to a depressed farm economy. One dairy farmer opposed national supply management on milk production such as a national base or a two-tier pricing system.

Crop insurance drew comments from some of the participants. One farmer suggested discontinuing the Federal Crop Insurance Program, because it cost taxpayers billions without benefiting farmers. Another suggestion was to revamp the crop insurance program and make it actuarially sound and responsive to the needs of production agriculture.

One recommendation was to change the tax code to allow producers to take advantage of commodity futures and options in their marketing plans without adverse tax consequences.

Cotton producers wanted the damage caused by whiteflies classified as falling within the parameters of an agricultural disaster. USDA denied assistance stating that there was a lack of connection between the flourishing of insects and a weather pattern. However, producers were grateful for USDA's help in combating this pest.

Many concerns were raised about the effect of regulations on farm income. Excessive regulations create a large effect on already thin profit margins. Participants asked that American producers be listened to in the reauthorization of the endangered species act and in regula-

tions dealing with food safety issues and the use of chemical crop protectors in decisions regarding wetlands and private property confiscation.

Many Arizona ranchers are concerned about Interior Secretary Bruce Babbitt's proposal to increase grazing fees on BLM and Forest Service lands, because they believe it would endanger the contributions they made to the fragile economy of rural Arizona.

Environmental concerns were expressed by several people. Although stewardship of the land and water is a producer's number one priority, an economic incentive must exist if a high degree of environmental care is desired. Education is needed on the effects of DDE, a residue of DDT. Comprehensive pesticide use data would be particularly helpful to USDA in establishing pest control research priorities such as the whitefly issue.

Several presenters would like to see alternative crops developed and research conducted on new uses for current crops. Carbon and hydrogen are two potential sources of revenue that could be made out of existing wastes, but government help is needed in providing a market for these crops. Organic cotton production is small but quickly growing and requires more resources for research on farming techniques. The U.S. ratite industry would like to be acknowledged by the government as a viable industry.

Other presenters suggested new technologies such as the integration of aquaculture and agriculture to obtain a double use of water, a hydroponic system, and a new refrigeration system.

The USDA must be willing to support rural economic development. Alternative suggestions were received about the Farmers Home Administration loan foreclosures. An agricultural loan mediation program has been started that helps farmers and their lenders resolve difficult situations.

Participants concerned about agricultural trade and exports were in favor of GATT and NAFTA. They wanted to see our government assist in developing markets. Other participants wanted a fair trade policy that adds value to our products and creates income for the producers instead of selling raw commodities at the lowest price possible in order to be competitive.

Many concerns represented the growing issue of alternative uses of public lands. For example, the Grand Canyon Chapter of the Sierra Club wants the Forest Service to rescind its easement to allow a bridge to be built over Forest Service land at Red Rock Crossing near Cathedral Rock in Sedona. Radio station KRFM wants to continue its high power on a low power site on Porter Mountain, USDA Forest Service land. Some presenters want the University of Arizona telescope project cancelled because the Mount Graham site is on sacred Indian ground and more suitable alternative sites exist.

Suggestions for streamlining USDA focused mostly on better ways to run FmHA's 502 self-help program. Arizona would like some responsibility transferred to the State government, rather than consolidate all food safety regulations at the Federal Food and Drug Administration. Some participants wanted USDA programs simplified. Another participant wanted the Extension Service added to the consolidated field offices of the farm service organization. One group wanted more accurate USDA statistics.

List of Participants

USDA Panel

The Honorable Eugene Moos—The Under Secretary for International Affairs and Commodity Programs

Dr. Keith Collins—Acting Assistant Secretary for Economics

Mr. Randy Weber—Acting Administrator, Agricultural Stabilization and Conservation Service

Mr. John Miranda—Acting Administrator, Office of International Cooperation and Development

Mr. Chris Goldthwait—Acting General Sales Manager and Associate Administrator, Foreign Agricultural Service

Presenters

Panel 1

Mr. Keith Kelly, Director—Arizona Department of Agriculture

Ms. Raena Honan, staff lobbyist—Sierra Club, Grand Canyon Chapter

Mr. Allen Butler, President—Private Forum, Inc.

Mr. Hugh Williams, President and GM—KVSL 1450 and KRFM 96.5 Radio

Mr. John Brady, President—Arizona Cotton Ginners Association

Mr. Rick Lavis, Executive Vice President—Arizona Cotton Growers Association

Panel 2

Ms. Trena R. Grabowski, National President—American Agri-Women

Mr. Charles Petty, Director—Rocky Mountain Farmers Union

Mr. Stephen Birdsall, Agricultural Commissioner—County of Imperial, California

Mr. Ken Evans, President—Arizona Farm Bureau

Panel 3

Mr. Art Lee, President and County Supervisor—Arizona and New Mexico Coalition of Counties for Stable Economic Growth

Mr. Howard Hutchinson, County Supervisor—Arizona and New Mexico Coalition of Counties for Stable Economic Growth

Panel 4

Mr. Michael Davis, Vice Chairman—Apache Survival Coalition

Ms. Virginia Riedel, President—Coconino County Farm Bureau and Cattle Growers

Ms. Ola Cassadore Davis, Chairperson—Apache Survival Coalition

Panel 5

Ms. Cora Esquibel, customer advocate of FmHA's Rural Housing Program and volunteer with United Housing and Educational Development Corporation.

Mr. John Bushey, Jr., President—Self-Help Group #2, United Housing and Educational Development Corporation

Ms. Carissa Bushey—occupant of FmHA financed home (502 self-help program)

Ms. Debbie Demaron—occupant of FmHA financed home (502 self-help program)

Mr. Pete Montoya—applicant to FmHA (502 self-help program)

Phyllis Spencer—occupant of FmHA financed home (502 self-help program)

Betty J. Gilson—occupant of FmHA financed home

Panel 6

Mr. Patrick Lindsey, State President—National Association of ASCS County Office Employees

Mr. Jesse Myers, Farm Program Specialist—Farmers Home Administration

Mr. Roy McAlister, President—American Hydrogen Association

Ms. Lorraine (Donna) Boers, National Director—Clean-Up Rural Environment

Panel 7

Mr. George Benjamin Brooks, Jr., Ph.D. Student, University of Arizona and Member Board of Directors—Arizona Aquaculture Association

Ms. Carolina Butler, Citizens Concerned About the Project—Scottsdale, Arizona

Mr. Mark Grenard, concerned citizen—Tempe, Arizona

Mr. John Miller, consultant—Surefield Systems, Inc., and Star Tech Corporation

Panel 8

Mr. Paul Carroll, retired farmer and Mr. Bob Stapleton, Advocate—American Agriculture Movement

Mr. Floyd N. Robbs, Farmer—Wilcox, Arizona

Panel 9

Ms. Susan Franck, President—Arizona Ostrich/Emu Breeders Association

Mr. Phillip K. Knight, Rancher—Wickenburg, Arizona

Dr. Wally Hofmann, Vice President—Natural Cotton Colours

Mr. Dennis Moroney, Cattle Rancher—Cross U Ranch, Prescott, Arizona

Mr. Conrad Gingg, Dairy Farmer—Glendale, Arizona

Panel 10

Mr. Bert Tolleson, Entrepreneur and Former Government Official

Ms. Virginia Harris, Citizen—Scottsdale, Arizona

Submitted Papers

Ms. Pat Zimmerman, State President, Washington—Women Involved in Farm Economics (WIFE)

Introductory Remarks by Under Secretary Eugene Moos

I want to speak on behalf of the Secretary of Agriculture, Mike Espy. Secretary Espy had hoped to be here but there was an announcement in Washington, D.C., overnight in terms of the new program for reinventing the government. The Secretary had to join President Clinton and Vice President Gore in unveiling that new proposal because it impacts on agriculture very directly. We'd like to thank Arizona State University for cosponsoring the first regional forum.

We want to meet the people from agriculture so that we can discuss the issues that affect them, the U.S., and the world agricultural communities in general. We want USDA to become a more customer friendly agency. We want to change a sometimes rather poor image of USDA and in the newly designed USDA, we will do things differently and more efficiently. We want your suggestions on ways to improve farm income and increase agricultural exports for U.S. farmers in agribusiness and streamline USDA's structure and delivery system.

I'm sure some or all of you have heard about Secretary's Espy's reinventing USDA's plan that he announced yesterday. The Secretary has set up some key principles to restructuring USDA. First, the new structure of USDA must improve the delivery of service to its customers. Second, any plan must remain consistent with the mandated missions of USDA. Third, the new USDA should make the department a better place for its employees. Fourth, the new structure must save the taxpayers money.

At our forum in Washington D.C., each participant was asked to address two issues. First, what is changing in U.S. agriculture and what are the issues that must be dealt with in the next few years? Second, what reforms are needed in domestic and international agricultural programs now and over the long term? Everyone agreed that America's agricultural policy must consist of a domestic farm policy and an international trade policy that increases farm income and benefits agriculture as a whole.

Secretary Espy stated three questions that he would like to have answered during his administration. First, how many farmers do we want to keep on the land? Second, how well have we kept our traditional markets, and what kind of progress have we made in expanding new ones? Third, what does it mean to the average consumer?

Major Themes and Recommendations of Participants¹

The Secretary's Forum on Farm Income and Agricultural Policy brought together 40 participants who shared diverse viewpoints regarding what issues must be dealt with in the next few years and what reforms are needed in domestic and international agricultural programs now and over the long term. Major themes and recommendations are listed below.

Increase Loan Rates

- We must change direction and change philosophies. The level of price supports available should be increased, not continually ratcheted lower. Loan rates should be raised which would stimulate market prices and decrease deficiency payment needs. Simultaneously, target prices should be indexed and acreage reduction requirements could be increased to offset costs. (*Rocky Mountain Farmers Union*)
- Why should we continue a policy of using a low loan rate, below cost of production, to set the floor on world wheat prices when taxpayers have to pick up the difference and add to the national debt? The irony of this is that each year we continue these abysmally low loan rates, farmers' incomes sink to lower levels and more people in this most productive segment of our economy go out of business. We need to raise our loan rates. (*State of Washington, Women Involved in Farm Economics (WIFE)*)

Targeting of Income Support

- In conjunction with the 1995 Farm Bill, we recommend that price supports be targeted to units of production and capped to limit government budget exposure. Consequently, farm income will increase because of better market prices and producers will become less dependent on deficiency payments. (*Rocky Mountain Farmers Union*)

Support for Existing Price Support Programs

- We are facing very precarious times in Arizona. The whitefly has proved to be a large problem and has caused the cost of farming to increase greatly over the past few years. Arizona producers are largely dependent upon the farm program and we encourage you to continue it in its

present form. Small communities benefit just as much as the farming or agricultural interests. In Arizona, rural communities are largely dependent upon cotton farming for their survival. (*Arizona Cotton Ginners Association*)

- We continue to support the existing structure of the present farm program. Because of the savings and loan crisis the equity in our land has declined. We cannot finance our operations or crop loans from this equity but instead rely upon the collateral provided by USDA's cotton program. Additionally, many rural businesses depend upon cotton farming for their livelihood and if cotton producers become financially vulnerable the rural businesses will follow shortly. (*Arizona Cotton Growers' Association*)

Changes Needed for Existing Price Support System

- We recognize that production disincentives and federally financed reserves and set aside programs are not the long-range solution for a depressed farm economy. The traditional price support system succeeds in maintaining a cheap food policy for the American consumer, at the expense of the health of the farm economy. In considering farm programs, we ask that you look at net impact in addition to program costs. For example, the Wool Act functions at no net cost to the consumer, supported entirely by tariffs on imported wool. We also ask that you keep two things in mind, first, any change made to farm programs be implemented over a period of time, not as a sudden shock to the agricultural producer's bottom line. Second, we are concerned that farm program cuts, made to cut our budget deficit, could erode our international negotiating position with regard to the General Agreements on Tariffs and Trade. (*American Agri-Women*)

Supply Management of Milk

- We oppose national supply management on production of milk, such as a national milk base for producers or two tier pricing of milk to producers. We must have the capability to produce for our growing state market and exports to Mexico. The Arizona dairy farmer is willing and able to produce for domestic needs and export to increase farm income. (*Mr. Conrad Gingg, Dairy Farmer*)

Crop insurance

- Risk is an integral part of the free enterprise system via which the United States has matured and prospered. We insure our property against fire, theft, and natural disas-

¹ Major themes and recommendations may have been quoted or paraphrased.

ters. But we cannot satisfactorily insure our costs of production. We recommend a total revamping of the crop insurance program. There is no reason that the program cannot be made actuarially sound, geographically fair and responsive to a real need of production agriculture. *(American Agri-Women)*

- I want to voice my support for discontinuing the Federal Crop Insurance Program. This program cost the taxpayers billions of dollars without benefiting the farmer. The farmer has only participated in this program when he could figure out a way that he could take advantage of the program. It would be a serious mistake to make all farmers participate in the program to make up the deficit piled up by the few people who took advantage of the program. If USDA farm programs aren't financially attractive to get farmers to participate, farmers will drop out of the program rather than comply. *(Mr. Floyd N. Robbs, Farmer)*

Tax Code

- Grain and livestock producers use the commodity futures market as a risk management tool. New products, such as options are available, and techniques have been developed to allow the producer to benefit from prudent utilization of these tools. Unfortunately, the federal tax code has not kept pace in this area. We recommend changes in the tax code that will allow farmers to take advantage of commodity futures and options in their marketing plans without adverse tax consequences. *(American Agri-Women)*

Disaster Assistance

- In the later part of 1991, an overwhelming explosion of a new strain of the sweet potato whitefly (*Bemisia tabaci*) menaced the desert valleys, western Arizona and northern Baja Mexico. California Governor Pete Wilson declared a state of emergency in Imperial and Riverside Counties on November 9, 1991, and petitioned the USDA for disaster assistance for the area. However, the USDA denied assistance, stating that there was a lack of connection between the flourishing of insects and a weather pattern. However, scientists in both California and Arizona certified that weather conditions contributed to the extremely high infestation of whitefly. We urge the new administration to look into and reconsider accepting the disaster caused by whitefly as falling within the parameters of an agricultural disaster. *(Mr. Stephen Birdsall, Agricultural Commissioner—County of Imperial, California)*
- Although the USDA would not certify the losses from whitefly for Federal disaster assistance, we are grateful

for the various resources which have been directed throughout the agencies within the USDA. An Interagency Coordinating Group for Emerging Pests was formed which reports to the Deputy Secretary's office, and a Special Assistant from the Deputy Secretary's office was assigned as the coordinator. A National Research and Action Program Group was formed, comprised of Federal and State scientists, private industry and commodity groups in an initial 5-year action plan against the whitefly. The program is in its second year of operation. With research work showing signs of progress, continued research funding is a must. We would also encourage the Secretary to appoint a special assistant from the Deputy Secretary's office to coordinate all of the Department's whitefly efforts. *(Mr. Stephen Birdsall, Agricultural Commissioner—County of Imperial, California)*

Regulation's Costs and Impact on Farm Income

- Our operations are large but the profit margins are extremely narrow. Therefore, excessive regulations will have a big effect on our already meager profit margins. We recommend that USDA continue a strong relationship with EPA and the Department of the Interior. You have done great work with EPA on chemicals, specifically in terms of the whitefly issue. *(Arizona Cotton Growers' Association)*
- Because regulatory actions impact farm income, we ask that you listen to the voice of American producers in the reauthorization of the endangered species act, in regulations dealing with food safety issues and the use of chemical crop protectors, in decisions regarding wetlands and in private property taking situations. *(American Agri-Women)*
- In rural Arizona and New Mexico most people are self-employed. Agriculture is the dominant industry and livestock is crucial to agricultural stability. Our livestock industry is dependent on Federal land grazing, our timber industry is dependent on national forest lands, and our farming is dependent on productive watersheds. We can understand and deal with changes in markets and economic trends, but when the adversity we face is our own government, confusion is rampant. When a farmer, rancher or timber contractor loses their job they lose a livelihood. We do not believe that the threatened and endangered species are threatened or endangered. We would like Federal agencies to work with us, not against us. *(Mr. Art Lee, President and County Supervisor—Arizona and New Mexico Coalition of Counties for Stable Economic Growth)*

Grazing Fees on BLM and Forest Service Lands

- Arizona ranchers are concerned about Interior Secretary Babbitt's proposal to increase grazing fees on BLM and Forest Service lands. We believe Secretary Babbitt's proposal would endanger the contributions made by ranchers to the fragile economy of rural Arizona. (*Arizona Department of Agriculture*)
- Rangeland Reform '94 will not increase agricultural income. Instead, it will spell economic disaster for rural families and communities throughout the West. If you truly want to improve agricultural income, you must let the people set the goals and then permit government officials to carry out these goals. This is not a people-driven or even a people-approved change—it is a government-driven change. The existing regulations in place provide for rangeland resource improvement now. A 230-percent increase in grazing fees will not provide a 230-percent improvement in rangeland resource management. Rangeland Reform '94 is a flawed process! The National Environmental Policy Act (NEPA) is not being complied with the letter or the spirit of the law. You cannot bypass this Act! We, the people, will not allow you to bypass this Act! (*Coconino County Farm Bureau and Cattle Growers*)
- I represent the average family rancher in Arizona that uses public land. I have done everything I can to improve the range on my ranch. I have had spectacular success with my riparian area. It has gone from one of the worst riparian areas to possibly the best in Arizona. In the West, the best lands are privately owned and the poorest belong to the public. Public lands being poorer are more expensive to graze. Those on public lands should pay the same fees as are charged on private makes no sense. The Federal Government has in the past paid private contractors to improve public land. Why not give the rancher an incentive to improve public land? (*Mr. Phillip K. Knight, Rancher*)
- In order to graze livestock on Federal land, one must own the commensurate property and on Forest Service allotments one must also own the livestock. Grazing preferences on ranches consisting of national forest range are bought and sold in conjunction with the deeded lands belonging to the ranch. Ranches bought and sold throughout the West are valued based on the deeded land, the improvements, the water developments, and the size and duration of the grazing permit. I request that a very complete study of the market value of Federal grazing permits be included in any grazing fee proposal to be considered under this action. In considering the scope of the Environmental Impact Statement to be prepared by the

Department of the Interior, I feel that it is essential to give complete coverage of the following issues.

1. The true market value of Federal forage.
 2. The benefits realized by the public from federal grazing permits.
 3. The actual condition of Federal grazing lands.
 4. The actual range potential of specific range sites.
 5. Comparison of rangeland condition data with wildlife habitat condition data
- (*Mr. Dennis Moroney, Cattle Rancher—Cross U Ranch*)

Environmental Concerns

- Environmental concerns are increasingly a topic during policy debates. Although stewardship of the land and water is our number one priority, an economic incentive must be in place if we expect a high degree of environmental care. The ability to spend on environmental improvements on the farm is limited by the serious lack of income we face. A profitable and less intensive agriculture will create better environmental stewardship. (*Rocky Mountain Farmers Union*)
- We in agriculture must be properly educated so we can survive, and if the USDA cannot do the job, who can? We need education on the effects of DDT residues called DDE. We must have education and knowledge on DDE. Very little has been done with DDE because authorities don't know what to do with it. We need indepth education on DDE and means of deletion, not the cure nor the prevention of cancers, birth defects, and heart disease, but the elimination of the cause, at least for one leading culprit, DDE inhalation and ingestion. (*Clean-Up Rural Environment*)
- Comprehensive pesticide use data would be particularly helpful to USDA in establishing pest control research priorities such as the whitefly issue. The data would allow USDA to target those crops and regions that have either had the greatest success or need the greatest assistance in reducing reliance on pesticides. All reviews of alternative pest control methods must include low-input approaches and practices being promoted in farmer to farmer networks, whether or not they are linked to the USDA. USDA research funds should be targeted to the development of integrated systems-based approaches that minimize the use of chemicals, on a cluster basis, where possible. The Federal Government, through Extension Service and other means, should disseminate research and provide assistance to lessen dependence on such pesticides and facilitate a shift to least toxic pest control methods.

Biopesticides essential to such approaches should be given registration priority. (*Mr. Mark Grenard, Concerned Citizen*)

Alternative Enterprises and Uses

- We have been an advocate of alternative crops and alternative uses for traditional crops for many years. We would like to see additional work done in developing alternative crops and in researching new uses for current crops. A cooperative effort involving both government and the private sector or perhaps a tax incentive could be effective and productive. (*American Agri-Women*)
- Our organization would like to improve farm income by using what now goes to waste. We would like prosperity without pollution. Two new cash crops that we would like to bring to your attention are carbon and hydrogen. Carbon can be made out of manure by using solar energy. Hydrogen is a smaller cash crop, but important in the sense that we can see it so clearly as a replacement fuel. We need to make an eminent market for these new cash crops. The government needs to provide leadership and help provide a market for these new crops. If the government helps build a market for these environmentally friendly crops, we will help both the farmer and the environment. (*American Hydrogen Association*)
- Organic cotton production is a small but quickly growing niche being driven by environmental concerns. The growing organic farming movement is encouraged by the work of the National Organic Standards Board, with the cooperation of the USDA, in developing standardized rules and regulations for the production of certified organic food and fiber. The USDA and ARS need to commit more resources for research on organic farming techniques. We should all remember that all farming was organic until fairly recently. We need to relearn some of the old and develop some new management tools. Currently, the most pressing needs are for weed control, fertility, and cotton defoliation. (*Dr. Wally Hofmann, Vice-President—Natural Cotton Colours*)
- The ratite industry in the United States would like to receive acknowledgement from the Federal Government as to the reality of its viability. Concerns we have include the close supervision of privately and federally operated quarantine stations allowing eggs and chicks into the country. It is not only a matter of inspecting for diseases that affect poultry, but also actively developing tests that will identify pathogens and parasites that could affect the ratite population. A permanent marking system identifying imported chicks is also an important issue for the ratite industry.

A second major concern is the USDA classification for slaughter and meat processing purposes. The tendency to think of these birds as poultry or livestock is incorrect. We need to look toward the future and not depend on old rules, regulations and guidelines that bog down the progress of this important new industry. An innovative approach is what is required today to launch the ratite industry toward its natural future. (*Arizona Ostrich/Emu Breeders Association*)

New Technology

- A key to profitable agriculture in Arizona is the ability to make optimal use of land and water. The integration of aquaculture and agriculture is a potentially successful method for achieving this goal. A double use of water is realized and in Arizona where water costs tend to be high, this option could be of great benefit. In 1991, with the assistance of the University of Arizona Cooperative Extension, the Maricopa Indian Cooperative Association initiated the Pee Posh fish farm project as a method of diversifying the crop base and improving farm income. For a small-scale test, the results were encouraging. Pee Posh is an example of how a public-private partnership can work to accelerate research and development processes. You at USDA can be a catalyst for this process. (*Mr. George Benjamin Brooks, Jr., Ph.D. Student, University of Arizona and Member Board of Directors—Arizona Aquaculture Association*)
 - I would like to introduce two new technologies. The first one is Surefield Systems, a hydroponic system. It is a system in which the water base is replaced by a sponge which is kept moist. One of the keys to the system is a special shaft seal, about the shaft of each plant, which prevents bugs from getting in and prevents moisture from getting out. It can be used almost any place because it is an enclosed tank. It has spacecraft applications because of its light weight and sealed shaft. It can be used at any altitude and placed in rocky or mountainous soil.
- The second new technology is a refrigeration system. It does not require the use of freon or freon substitutes, HCFCs, which have been mandated for a limited period of time. Because we have replaced the compressor with a column of water, using the gravity pressure of the water, the water moves in a circle. At the bottom you get enough pressure to recondense and recompress the refrigerant gas, and we use N-Butane, which is totally benign. The energy level is substantially better than anyone else on the market, and even better than a new substitute. Obviously, refrigeration has a large place in agriculture, from getting crops in from the field, to storing them, to transporting them. The system is not good on trucks or trains because of the high column, but is good in ware-

houses and storage. Both systems can be taken around the world because of simplicity, maintainability, and low cost. (*Surefield Systems, Inc. and Star Tech Corporation*)

Encourage Rural Economic Development

- For several decades, Arizona farmers and ranchers have done their part to try and expand the number, type, and nature of agricultural crops produced. They have spent \$5 billion on new and emerging technology. The universities and agribusiness enterprises have also contributed. But, a number of obstacles have kept us from achieving any material success from those efforts:
 1. The USDA has not encouraged these efforts and when a farm does not fit the "mold" it is discriminated against.
 2. We need more risk takers. The government is the major culprit in discouraging venture capital from agriculture.
 3. We must be as willing to reward those who try to grow industrial feedstock chemicals as we are to subsidize traditional crops.
 4. We must be as willing to support the chile pepper growers as much as we do the corn growers.
 5. We must reward the farmer who places a higher priority on protecting the environment than he does on protecting his checkbook.

(*Arizona Farm Bureau*)

Provide Accurate Government Statistics

- USDA net farm income figures are erroneous. Figures of the USDA and IRS differ by billions of dollars. Doing extensive research, the GAO recalculated net farm income for the years 1970 and 1989. They calculated the IRS figures at \$23.6 billion while the USDA reported \$526.5 billion, a difference of \$502.9 billion over a period of 20 years. (*State of Washington—Women Involved in Farm Economics (WIFE)*)

Financial Counseling

- Arizona's agriculture community has been under severe economic pressure since the late 1980's and the situation has worsened for some with the white fly infestation and the flooding problems on the Gila River. A program is needed to assist farmers and their lenders in resolving the difficult situations found throughout the State. Such a

program has been created and is called the Agricultural Loan Mediation Program, administered by the Arizona Department of Agriculture. It is designed to offer assistance to the agricultural community—both borrowers and lenders—by providing loan mediation services. (*Private Forum, Inc.*)

Farmers Home Administration Loan Foreclosures

- U.S. farm equity losses in the previous two administrations have accrued to \$300 billion. Consider this against the cost of write-down legislation currently in force. Suggested remedies:
 1. An objective case-by-case examination on claims of negligence and repatriation.
 2. Change the rules on appointment of county committee members such that only self-sufficient peer agricultural producers who have no outstanding government loans and who would be voluntarily exempt from obtaining loans from any government loan program doing away with the possibility of conflict of interest.
 3. Do away with piecemeal subsidy programs that only foster dependence on governmental largesse and create a false ag economy.
 4. Oversight to ensure that prospective purchasers of surplus properties from government inventories don't have any special interest connection to the individuals whose decisions appropriated those properties and/or made them available and obtainable.
 5. Stringent criminal prosecution of parties in or out of government who exceed the threshold of immunity designed to protect government agents discretionary actions if it may be substantiated that action fell out side that protective envelope and there was prior intent involving harm to any fellow citizen as the result.
 6. Aggressive review of the policies and activities of each State FmHA office seeking evidence of discrimination under the guise of discretionary action.
 7. Amnesty program with time restrictions for government agents having knowledge of miscreant behavior to make that information available to the Office of Secretary of Agriculture for review; or upon a finding subsequent to the closing of the amnesty of knowledge, or involvement, or a passive participation, aggressive prosecution and remedial action. (*Mr. Paul Carroll, Retired Farmer and Mr. Bob Stapleton, Advocate—American Agriculture Movement*)

Build Foreign Markets

- I would like to focus on the necessity for increased emphasis on building foreign markets. I hope our agriculture attaches become commercial attaches. We have a tremendous opportunity to increase markets for American farmers and reach people that have a need. (*Mr. Bert Tolleson, Entrepreneur and Former Government Official*)

Support Passage of Trade Enhancing Legislation

- Arizona is proud of the bilateral livestock health agreement signed in 1992 by State and cattle industry officials in Arizona and Sonora, Mexico. The Arizona State government strongly supports the North American Free Trade Agreement (NAFTA). (*Arizona Department of Agriculture*)
- Since 85 percent of our cotton goes to the Far East, we are very interested in trade issues. We support USDA's position on the GATT and NAFTA and look for their enactment. (*Arizona Cotton Growers' Association*)
- I am in favor of increasing farm exports, especially into Mexico, and am in favor of ratification of NAFTA. Last year the U.S. exported over \$125 million worth of dairy products into Mexico, while only importing \$3 million of dairy products, mainly cheese from goat milk. (*Mr. Conrad Gingg, Dairy Farmer*)

Fair Trade Policies

- Although important, we must strive for fair trade policies that recognize the need for producers to receive a fair market price, regardless of their nation. Noneconomic factors like environmental concerns must also be included in the development of world trade policy. The issue of border inspections, such as health and safety, must be examined as such and not as a competitive barrier. The value of trade is to add value to our products which creates income for the producers, not selling raw commodities at the lowest price possible in order to create and maintain competition. (*Rocky Mountain Farmers Union*)
- Should we pass international agreements that institutionalize low prices and remove supply management as a tool to raise the price? I'm talking about the GATT agreement and the North American Free Trade Agreement. What is going to happen to foreign producers who sign these agreements? For instance, Mexican wheat growers now

receive a subsidized price of \$6.90 per bushel for their grain. Why should we deliberately reduce them to the poverty level and run them out of business by forcing them to accept the same ridiculously low price with which American farmers now struggle? (*State of Washington-Women Involved in Farm Economics (WIFE)*)

Alternative Use of Public Lands

- The Grand Canyon Chapter of the Sierra Club respectfully asks Agriculture Secretary Espy to reconsider his agency's actions regarding an easement granted to Yavapai County in 1983 by the USDA. It's an easement allowing a bridge to be built over Forest Service land at Red Rock Crossing near Cathedral Rock in Sedona, Arizona. We ask the Secretary to use his powers to preserve and protect our national heritage and use agency resources to accomplish this goal. (*Ms. Raena Honan, Staff Lobbyist—Sierra Club-Grand Canyon Chapter*)
- Public service providers, school personnel and parents and students, emergency service providers, listeners, and advertisers will lose an important voice in the White Mountains, if my present situation cannot be changed. Presently, KRFM is a high power/continuous carrier located on a low power site on Porter Mountain, U.S. Forest Service land. I can remain on this site as long as I am the owner. When the permit expires in 1995, a new permit with a shorter duration can be issued. The permit renewal will stipulate that KRFM will be required to move within 2 years of an alternative site being developed. Any new owner would be required to relocate off the Porter Mountain. I would like to save KRFM and KVSL from being taken off the air and put out of business. (*Mr. Hugh Williams, President and GM—KVSL 1450 and KRFM 96.5 Radio*)
- From the perspective of the Coalition of Arizona and New Mexico counties, the Federal and State Governments have embarked upon numerous new activities and expanded the scope of existing regulations. Few actions have benefitted local governments, and most have had adverse effects. A central mission of the Coalition is to propose proactive solutions to perceived problems. Land management agencies need to be well-informed about the customs, cultures, and economic conditions they are dealing with and they need to make their decisions with the greatest possible input from the local community. (*Arizona and New Mexico Coalition of Counties For Stable Economic Growth*)
- I have come to talk to you about Mount Graham International Observatory, a project of the U.S. Forest Service. Existing legislation states that the telescope pro-

ject will be allowed on Emerald Peak only. On March 1, 1993, the University of Arizona asked the Forest Service for modification of their special use permit to allow the move of the Columbus Telescope to a new mountain less than one-half mile from the present site, to peak 10298. I am asking you to look into the record on this project and not allow the site change. If the Forest Service allows this move, we are asking you to make sure that the national environmental and cultural preservation laws are adhered to. (*Apache Survival Coalition*)

- I have come today to talk about Mt. Graham. It is our holy mountain and home of ga-an, our Mountain Spirit Dancers. We have been working hard to save our sacred sites from the University of Arizona's telescope project. The council has been joined by all known traditional spiritual leaders of the tribe, as well as the many Native American organizations. They have made every effort to explain their concerns, their fears and their demands to the Federal agencies, the University of Arizona and their telescope project partners, all of whom remain unmoved and unwilling to recognize what we have to say, as they also ignore the Native American's most basic right of freedom to practice their religion. I am asking you to abide by the laws of this country and protect our sacred sites and our traditional ways. (*Apache Survival Coalition*)
- The Forest Service administers the special use authorization for the Mount Graham Telescope Project held by the University of Arizona. The Arizona-Idaho Conservation Act of 1988 (P.L. 100-696 Sec. 601) required the Secretary of Agriculture to issue a special use authorization for construction of three telescopes to be located on Emerald Peak. This project in the Coronado National Forest was authorized by Congress and allowed to bypass our Nation's environmental laws. This was a terrible mistake but Congress acted on incomplete information. Arizonans are asking the Secretary of Agriculture to stop helping the University of Arizona slide around anymore and disallow the large binocular telescope to be built on Mount Graham. There are suitable alternative sites. (*Citizens Concerned About the Project*)
- I want to protest building a bridge across Red Rock Crossing in Sedona. This is a park with a splendid view that attracts tourists from all over the world. If there is going to be development, they can get there on horse or foot. (*Ms. Virginia Harris, Citizen—Scottsdale, Arizona*)

Streamlining Federal Government

- Rather than consolidate all food safety regulations at the Federal Food and Drug Administration, we believe greater efficiencies can be achieved by continuing the transfer of responsibility from the Federal to State Government. The Animal Services Division of the Arizona Department of Agriculture has trained inspectors working to keep meat, poultry, egg, and dairy products safe for consumers. While the law requires our meat inspection program to equal the Federal Government's program, we believe Arizona's program is superior. (*Arizona Department of Agriculture*)
- I volunteered to help families relocate from a mining company located in San Manuel, Arizona, after they received eviction notices. We asked for assistance from the Rural Community Assistance Corporation (RCAC). Housing Assistance Council (HAC) provided technical assistance for a proposal for 27 self-help houses in which United Housing and Educational Development Corporation (UHEDC) was the grantee. Technical assistance providers should not discriminate in providing needs solely to the farm worker, but to all those in need all across America. Grantees should have the right to submit a performance evaluation of technical assistance providers before FmHA gives them a grant renewal. Real estate agencies should not be allowed to get involved in FmHA 502 programs. The real estate firm and the FmHA prioritized the Hispanic immigrant over the American citizen and consequently a barrio was created. A priority should be put on monitoring the FmHA staff. (*Ms. Cora Esquibel, Customer Advocate of FMHA's Rural Housing Program and volunteer with United Housing and Educational Development Corporation*)
- Farmers Home Administration (FmHA) is having problems in the way it handles its policies. For the last 3 years, I've been dealing with FmHA. First, as a home loan applicant in which my wife and I were approved three times and denied twice. Although we won our first appeal, we had to go through the whole interview process again. I am involved again as a member of United Housing and Educational Development Corporation (UHEDC) second self-help group. FmHA definitely needs to streamline their procedure:
 1. Experience personnel-check system.
 2. Define policy or procedures.
 3. Arbitration.
 4. Don't make issues a personal vendetta.
 5. Listen to both sides of the story.

(Mr. John Bushey, Jr., President—Self-Help Group #2, United Housing and Educational Development Corporation)

- I want to bring up a few issues regarding our treatment and discrimination during the time we were qualifying for our home. We were denied a loan the first time due to my poor credit history linked to a past relationship when I was 18 years old. We appealed the FmHA county supervisor's decision and won. We were asked for a second interview and again were denied the house because of bad credit. Since we already won the appeal there was no need for a second interview or denial. We had won the appeal. Why should a County Supervisor go on her own personal feelings towards an applicant instead of following regulations, and be able to deny applicants with no one to account to? *(Ms. Carissa Bushey—Occupant of FmHA financed home)*
- Every member of the group of people who applied to the self-help program with me encountered enormous difficulty in qualifying, with the Pima County Supervisor. I have seen problems arise in the area of language used in the correspondence to participants of FmHA programs. Mistakes by FmHA caused myself and other group members to pay the cost of credit checks twice. I think that FmHA should look into the issue of helping the American citizen towards utilizing the program, and not putting the immigrant citizen into a single area to help prevent segregation, thus preventing the creation of a barrio. *(Ms. Debbie Demaron—occupant of FMHA financed home (502 self-help program))*
- My application was submitted to FmHA's office as a self-help applicant, but the County Supervisor refused to process me with UHEDC's Group #3. I feel discriminated by FmHA because I am a handicapped person. Despite my handicap, I would be able to participate in the self-help program. I also have family who will help me if I am approved. My solution is that FmHA should not discriminate against the handicapped person. *(Mr. Pete Montoya—applicant to FmHA 502 self-help program)*
- I would like to talk about my own experience under the 502 program. The County Supervisor was given so much power that it took 18 months to be called for an interview. In our cul de sac, there are 31 houses, 3 white families, 1 black family, and 27 hispanic families. If the County Supervisor had not discriminated against the white and black, our neighborhood would not have become a barrio. I suggest that someone should monitor the County Supervisor's actions to prevent this situation from happening again. Some provisions or formula should be there for handicapped children. My daughter doesn't qualify for SSI and because of her severe medical prob-

lems, I am not able to get a job to help with the income. She needs 24 hour care so this prevents me from seeking a job. I would like to see special provisions for families with handicapped children. *(Ms. Phyllis Spencer—occupant of FmHA financed home under 502 self-help program)*

- I lived in an FmHA financed home which was foreclosed on. Due to medical problems, I lost hours from work and then decided to attend college to further and better my career opportunities. When I started school, I worked part-time and my income declined by 50 percent. After I fell behind on my payments, I called FmHA but was not able to speak to the County Supervisor nor any other appropriate person about my condition. I was forced to sell my home and move out in my ninth month of pregnancy. I feel that all this hardship on my family would not have happened if the real estate agent had not been allowed to represent herself as a FmHA employee or if there had been a better line of communication. *(Ms. Betty J. Gilson—Occupant of FmHA Financed Home)*
- We have heard farmers and ranchers ask for less paperwork when dealing with the government. ASCS could eliminate a great deal of cumbersome paperwork and expense by eliminating the requirement to complete farm operating plans and payment eligibility forms for every producer who comes into an ASCS office. We seem to have overreacted in achieving the intent of the law to control program payments by requiring thousands upon thousands of producers to complete detailed farm operating plans when they will never approach any program payment limits. We could reduce this burden by as much as 90 percent if we applied these rules to those producers that are within a given dollar range of reaching a program payment limit. We encourage the Congress, the Administration and the Department to simplify program rules and instructions. Programs have continued to become more complex and not necessarily any more effective. *(National Association of ASCS County Office Employees)*
- The original mission of USDA was to aid rural development through education. In several publications you have been quoted as favoring the combining of ASCS, FmHA, SCS, and FCIC. It would be more efficient to also add the Cooperative Extension Service. Arizona is unique. With the size of this State, the varied terrain, and changing weather conditions, you should look very closely when considering USDA offices for closure in Arizona for any reason other than combining them. Farmers should farm instead of spending all day traveling to a USDA office. Title VI and Title VII of the Civil Rights Act should be placed under the Office of Advocacy and Enterprise (OAE). The Civil Rights divisions of the vari-

ous USDA agencies should be disbanded because they are only "excuse factories" that delay progress and speedy access to justice. Since OAE works with complaints, non-EEO complaints should also be handled by OAE. Many appeals have a discrimination connection. (*Mr. Jesse Myers, Farm Program Specialist—Farmers Home Administration*)

- Before joining Natural Cotton Colours, I was a research scientist at the USDA/ARS Cotton Research Center in Shafter, California. At the time I left, about 2 years ago, there was a total lack of leadership and direction at that facility. In my estimation, the \$1 million budget was a tragic waste of the taxpayers' money. I strongly recommend that the USDA Shafter Cotton Station be dedicated to organic research. (*Natural Cotton Colours*)

Summary of Presentations and Submitted Papers²

Presentations

Panel 1

Mr. Keith Kelly, Director—Arizona Department of Agriculture

Agriculture and its related businesses account for \$6.3 billion of economic activity in the State. The Arizona Department of Agriculture has both regulatory responsibilities and a mission to promote our growing agribusiness economy.

Arizona ranchers are concerned about Secretary Babbitt's proposal to increase grazing fees on BLM and Forest Service lands. We believe Secretary Babbitt's proposal would endanger the contributions made by ranchers to the fragile economy of rural Arizona. Governor Symington has asked the Federal Government to allow the State of Arizona to administer virtually all of the public lands in this State, taking responsibility for both protection of the resources and preserving the income flow from multiple use of those resources.

The Arizona State government strongly supports the North American Free Trade Agreement (NAFTA). Arizona is proud of the bilateral livestock health agreement signed in 1992 by State and cattle industry officials in Arizona and Sonora, Mexico. This agreement demonstrates our ability to lead into a new era of trade relations.

Vice President Gore proposed eliminating USDA's Food Safety and Inspection Service (FSIS) and consolidating all food safety regulation at the Federal Food and Drug Administration. We believe greater efficiencies can be achieved not by simply moving thousands of employees from one Federal agency to another, but by continuing the transfer of responsibility from the Federal to State government. The Animal Services Division of the Arizona Department of Agriculture has trained inspectors working to keep meat, poultry, egg, and dairy products safe for consumers. While the law requires our meat inspection program to equal the Federal Government's program, we believe Arizona's program is superior. We believe we can assume more responsibilities at no cost to public health and at less cost to the public treasury.

² Summaries may have been quoted or paraphrased.

Ms. Raena Honan, Staff Lobbyist—Sierra Club-Grand Canyon Chapter

The Grand Canyon Chapter of the Sierra Club respectfully asks Agriculture Secretary Espy to reconsider his agency's actions regarding an easement granted to Yavapai County in 1983 by the USDA. It's an easement allowing a bridge to be built over Forest Service land at Red Rock Crossing near Cathedral Rock in Sedona, Arizona.

In addition to the threat of being paved, this national and international scenic treasure is seriously threatened by overdevelopment by the Forest Service itself. We request the Secretary to exercise his authority and review the Forest Service's development plans and the continuation of the 1983 easement which, since 1988, could have been rescinded after a hearing. We ask the Secretary to use his powers to preserve and protect our national heritage and use agency resources to accomplish this goal.

Mr. Allen Butler, President—Private Forum, Inc.

Arizona's agriculture community has been under severe economic pressure since the late 1980's and the situation has worsened for some with the whitefly infestation and the flooding problems on the Gila River. A program is needed to assist farmers and their lenders in resolving the difficult situations found throughout the State.

The Agricultural Loan Mediation Program, administered by the Arizona Department of Agriculture, is designed to offer assistance to the agricultural community—both borrowers and lenders—by providing loan mediation services. Mediation is a non-binding procedure in which the parties attempt to reach a negotiated agreement with the assistance of a neutral mediator. Fees are substantially lower than fees normally charged by commercial mediation services. However, fees can be waived upon application to the Department of Agriculture.

The loan mediation program is partially funded by the U.S. Department of Agriculture. The statute and regulations governing the program provide that lenders in the Farm Credit System are required to participate in mediation when requested by the borrower. Farmers Home Administration is also required to participate in mediation and under certain circumstances must submit the dispute to the mediation program. Other lenders, Gins, and trade creditors are encouraged to use the services provided.

The Agricultural Loan Mediation Program is administered by Private Forum Incorporated, a Tempe firm which specializes in mediation and arbitration services. A request for mediation can be obtained by submitting a brief description to Agricultural Loan Mediation Program, Arizona Department of Agriculture, 1688 West Adams, Room 418, Phoenix, Arizona 85007.

Mr. Hugh Williams, President and GM—KVSL 1450 and KRFM 96.5 Radio

In 1980, a mother pleaded to have our AM station (KVSL) obtain more power in the pre-dawn hours to reach her home, 35 miles away, so she could know if the bus was going to be late or if the bus was running at all. This request came after her children returned home cold, wet and crying after waiting several hours for a school bus which never came because of the weather and the winter road conditions. My answer was to construct a sufficient powered FM station at great cost. After 2 years of meetings with the U.S. Forest Service, I applied to the FCC for a construction permit which was granted in late 1982. The U.S. Forest Service became very negative to my application; however, they did grant a Special Use Permit which was renewed for several 1-year terms and finally granted a 10-year permit which expires December 31, 1995. Presently, KRFM is a high power/continuous carrier located on a low power site.

I'm over the proverbial barrel. Based on a letter from the U.S. Forest Service supervisor to the President of the Porter Mountain Users Association I can remain on Porter Mountain as long as I am the owner. When the permit expires in 1995, a new permit with a shorter duration could be issued. The permit renewal will stipulate that KRFM will be required to move within 2 years of an alternative site being developed. Any new owner would be required to relocate off the Porter Mountain.

I would like to save KRFM and KVSL from being taken off the air and put out of business. Public service providers, school personnel and parents and students, emergency service providers, listeners, and advertisers will lose an important voice in the White Mountains, if my present situation cannot be changed.

Mr. John Brady, President—Arizona Cotton Ginners Association

We are facing very precarious times in Arizona. The whitefly has proved to be a large problem and has caused the cost of farming to increase greatly over the past few years. It now takes roughly \$900 an acre to grow an acre of cotton in Arizona, due to the increased needs to control these pests, and the increased costs of water, which is an entirely separate issue.

The average farmer in Arizona produces two and one-half bales of cotton per acre. Because of a declining world price, the domestic price to the producer is about \$.50 per pound. Consequently, the producer falls drastically short of covering his costs of production. His only means of survival right now is the Government farm program.

Arizona producers are largely dependent upon the farm program and we encourage you to continue it in its present form. Small communities benefit just as much as the farming or agricultural interests. In Arizona, rural communities are largely dependent upon cotton farming for their survival.

Mr. Rick Lavis, Executive Vice President—Arizona Cotton Growers' Association

The Arizona Cotton Growers Association stands behind the August 2nd statement by the National Cotton Growers Association. We think it covers the issues of our concern and we call your attention to that statement made at the Washington D.C. forum on Farm Income and Agricultural Policy.

Next, I'd like to address issues specifically related to the Arizona industry. First, regulation and its costs, whether State or Federal. Our operations are large but the profit margins are extremely narrow. Therefore, excessive regulations will have a big effect on our already meager profit margins. We recommend that USDA continue a strong relationship with EPA and the Department of the Interior. You have done great work with EPA on chemicals, specifically in terms of the whitefly issue.

We thank USDA for its leadership on whitefly research funding. The Department's research activities are beginning to bear some fruit and they have come at the right time. Arizona has also conducted its own research on the whitefly. A demonstration project was conducted which identified some cultural practices that work well and seem to reduce whitefly infestations. We think the combination of State and commodity private sector efforts are bearing some fruit.

Since 85 percent of our cotton goes to the Far East, we are very interested in trade issues. We support USDA's position on the GATT and NAFTA and look for their enactment.

We continue to support the existing structure of the present farm program. Because of the savings and loan crisis the equity in our land has declined. We cannot finance our operations or crop loans from this equity but instead rely upon the collateral provided by USDA's cotton program. Additionally, many rural businesses depend upon cotton farming for their livelihood and if cotton producers become financially vulnerable the rural businesses will follow shortly.

Panel 2

Ms. Trenna R. Grabowski, National President—American Agri-Women

We recognize that production disincentives and federally financed reserves and set aside programs are not the long-range solution for a depressed farm economy. We are well aware that the productive capability of the agriculture sector today has been accomplished in spite of government interference via the farm program. The traditional price support system succeeds in maintaining a cheap food policy for the American consumer, at the expense of the health of the farm economy. In considering farm programs, we ask that you look at net impact in addition to program costs. For example, the Wool Act functions at no net cost to the consumer, supported entirely by tariffs on imported wool.

When you consider farm programs, we ask that you keep two things in mind. First, farmers and ranchers, as business people, have short-range and long-range plans. We ask that any change in farm programs be implemented over a period of time, not as a sudden shock to the agricultural producer's bottom line. Second, we know that we will have to make some concessions in order to accomplish true open markets. We are concerned that farm program cuts, made to cut our budget deficit, could erode our international negotiating position with regard to the General Agreements on Tariffs and Trade.

We have been an advocate of alternative crops and alternative uses for traditional crops for many years. We would like to see additional work done in developing alternative crops and in researching new uses for current crops. A cooperative effort involving both government and the private sector or perhaps a tax incentive could be effective and productive.

Risk is an integral part of the free enterprise system via which the United States has matured and prospered. We insure our property against fire, theft, and natural disasters. But we cannot satisfactorily insure our costs of production. We recommend a total revamping of the crop insurance program. There is no reason that the program cannot be made actuarially sound, geographically fair and responsive to a real need of production agriculture.

Grain and livestock producer's use of the commodity futures market is another risk management tool. New products, such as options are available and techniques have been developed to allow the producer to benefit from prudent utilization of these tools. Unfortunately, the federal tax code has not kept pace in this area. We recommend changes in the tax code that will allow farmers to take advantage of commodity futures and options in their marketing plans without adverse tax consequences.

We also have some regulatory concerns. We ask that because these items do impact on farm income, that the voice of American producers be considered in the reauthorization of the endangered species act, in regulations dealing with food safety issues and the use of chemical crop protectors, in decisions regarding wetlands and in private property taking situations.

Mr. Charles Petty, Director—Rocky Mountain Farmers Union

Farm policies and the administration of those policies since 1980 have not been farmer friendly, responsive, nor economically beneficial to agricultural producers, but have benefited the processors and traders of our commodities. As a result of these policies: producers are unable to invest in their operations, young people have been unable to begin farming and ranching, concentration has increased in the production, processing, marketing, and retailing sectors, and many producers find their only operating credit tied to contract livestock feeding or contract grain production.

We must change direction and change philosophies. The level of price supports available should be increased, not continually ratcheted lower. Loan rates should be raised which would stimulate market prices and decrease deficiency payment needs. Simultaneously, target prices should be indexed and acreage reduction requirements could be increased to offset costs.

In conjunction with the 1995 Farm Bill, we recommend that price supports be targeted to units of production and capped to limit government budget exposure. Consequently, farm income will increase because of better market prices and producers will become less dependent on deficiency payments.

Environmental concerns are increasingly a topic during policy debates. Although stewardship of the land and water we use to produce our livelihood is our number one priority, an economic incentive must be in place if we expect a high degree of environmental care. The ability to spend on environmental improvements on the farm is limited by the serious lack of income we face. A profitable and less intensive agriculture will create better environmental stewardship.

Although important, we must strive for fair trade policies that recognize the need for producers to receive a fair market price, regardless of their nation. Noneconomic factors like environmental concerns must also be included in the development of world trade policy. The issue of border inspections, such as health and safety, must be examined as such and not as a competitive barrier. The value of trade is to add value to our products which creates income for the producers, not selling raw commodities at the lowest price possible in order to create and maintain competition.

In the rural areas of the United States, the Clinton Administration will be judged at the end of four years by the number of family farmers that remain and their economic status and that of the rural communities they support.

Mr. Stephen Birdsall, Agricultural Commissioner—County of Imperial, California

In the latter part of 1991, an overwhelming explosion of a new strain of the sweet potato whitefly (*Bemisia tabaci*) menaced the desert valleys, western Arizona, and northern Baja, Mexico. Agricultural losses from the whitefly-caused disaster reached \$130 million in 1991, which was followed by another \$100 million in 1992. Related economic losses have amounted to \$197 million and \$172 million, respectively. During the peak of the disaster, unemployment reached an all-time record high of 42 percent. We have never recovered from the whitefly invasion, and we continue to maintain one of the highest unemployment rates in the Nation, currently standing at 31.9 percent for July 1993.

California Governor Pete Wilson declared a state of emergency in Imperial and Riverside Counties on November 9, 1991, and petitioned the USDA for disaster assistance for the area. The USDA denied assistance, stating that there was a lack of connection between the flourishing of insects and a weather pattern. However, scientists in both California and Arizona certified that weather conditions contributed to the extremely high infestation of whitefly.

Although the USDA would not certify the losses from whitefly for Federal disaster assistance, we are extremely grateful for the various resources which have been directed throughout the agencies within the USDA. An Interagency Coordinating Group for Emerging Pests was formed which reports to the Deputy Secretary's office, and a Special Assistant from the Deputy Secretary's office was assigned as the coordinator. A National Research and Action Program Group was formed against the whitefly, consisting of Federal and State scientists and private industry and commodity groups. The program is in its second year of operation. With research work showing signs of progress, continued research funding is a must.

We urge the new administration to look into and reconsider accepting the disaster caused by whitefly as falling within the parameters of an agricultural disaster. We would also encourage the Secretary to appoint a special assistant from the Deputy Secretary's office to coordinate all of the Department's whitefly efforts, and finally, we thank the USDA for the high priority they have assigned to this pest and commend them on their continuing effort.

Mr. Ken Evans, President—Arizona Farm Bureau

American agribusiness must start seeing rural economic development. Much is changing and we can be part of that change or we can be moaning sideliners.

Current changes driving the transformation of the global economy seem to be focused in three general categories.

1. Changing consumers and consumer demand.
2. Improvements and changes in the distribution, delivery and supply of goods and services.
3. Significant changes in the nature and focus of agriculture in a global environment.

How do we adjust to this change?

1. We must identify, develop, and cultivate new alliances for both of our benefits.
2. We must develop the infrastructure to allow open and free movement of products within the world market place.
3. We must spend a significant amount of our resources on education of the public and ourselves. We must be willing to change.
4. We must be willing to accept and embrace proven as well as emerging technology.

We must be part of rural America's health and well being. We must be leaders in our rural communities. We must educate and steer our own rural communities to a brighter future based on rural economic development principles that are economically sound and environmentally sensitive.

For several decades, Arizona farmers and ranchers have done their part to try and expand the number, type, and nature of agricultural crops produced. They have spent \$.5 billion on new and emerging technology. The universities and agribusiness enterprises have also contributed. But, a number of obstacles have kept us from achieving any material success from those efforts.

1. The USDA has not encouraged these efforts and when a farm does not fit the "mold" it is discriminated against.
2. We need more risk takers. The government is the major culprit in discouraging venture capital from agriculture.
3. We must be as willing to reward those who try to grow industrial feedstock chemicals as we are to subsidize traditional crops.

4. We must be as willing to support the chile pepper growers as much as we do the corn growers.
5. We must reward the farmer who places a higher priority on protecting the environment than he does on protecting his checkbook.

Panel 3

**Mr. Art Lee, President and County Supervisor—
Arizona and New Mexico Coalition of Counties for
Stable Economic Growth**

We can understand and deal with changes in markets and economic trends, but when the adversity we face is our own government, confusion is rampant. In most of our counties, unemployment is at double digit figures due to sawmill and mine closures.

In rural Arizona and New Mexico, most people are self-employed. Agriculture is the dominant industry and livestock is crucial to agricultural stability. Our livestock industry is dependent on Federal land grazing, our timber industry is dependent on national forest lands, and our farming is dependent on productive watersheds. When a farmer, rancher or timber contractor loses their job they lose a livelihood. Often the only recourse is to subdivide the farm and ranch. Supporting rural businesses also suffer and soon begin to sell and move. We are told that tourism will save our economies but bed and breakfast resorts will not generate enough economic return to sustain our economies.

We do not believe that the threatened and endangered species are threatened or endangered. We would like Federal agencies to work with us, not against us.

**Mr. Howard Hutchinson, County Supervisor—
Arizona and New Mexico Coalition of Counties for
Stable Economic Growth**

From the perspective of the Coalition of Arizona and New Mexico counties, the Federal and State governments have embarked upon numerous new activities and expanded the scope of existing regulations. Few actions have benefitted local governments, and most have had adverse effects. A central mission of the Coalition is to propose proactive solutions to perceived problems.

A. Resource Use Conflicts

In many Western States, the land areas of the counties are either greater than, or the same size as many Western European nations. This becomes a problem for planning when the geography, climate, and elevation vary greatly. Add to this significant demographic variables and planning can become a nightmare. The increase in Federal agency activity has created the fastest growing employment sector of American productive industry and State and local governments. These employees are compliance form, grant, and technical writers.

1. Number of agencies one has to deal with—Each agency has a different mission and regulations which often conflict with another's. Individuals, businesses, industries and local governments are becoming hard pressed to deal with the sheer numbers of agencies and departments.
2. Amount of land area in a county under state or Federal control —The larger the percentage of State and Federal lands in a county, the greater the impact from land management decisions on the socio-economics. Land management agencies need to be well informed about the economic conditions they are dealing with and they need to make their decisions with the greatest possible input from the local communities.
3. Cumulative effect of multiple activities or actions—If an agency is in the midst of implementing a non-existent policy or activity, or several agencies are simultaneously carrying out unrelated actions, the effects can be quite dramatic. Federal and State agencies need to coordinate with each other so that impacts can be mitigated.
4. Local economic dependency on resources coming off Federal lands—The larger the dependency on the supply from Federal lands, the greater chance of use-decision conflicts. Significant or multiple actions should be made with local customs, culture and economies in mind. Forced changes in socio-economics produces loss of personal self-esteem and community dysfunction.
5. Local control vs. centralized control—Globally, the most significant socio-economic movement taking place is decentralization. It has now been recognized that centralized command and control systems of management fail. The most obvious reaction is to prepare to implement new methods of problem solving.

6. Economics vs. environment—Every activity has environmental consequences. Bad land use decisions are usually made due to lack of information. We are endeavoring to make available education and simplified access to information for county residents as a method for achieving better land use.

B. Land Use Planning

1. Development of policy—Land management policies or any policies developed under a democratic form of government must come from the people. Local governments are governed by laws such as the "Open Meetings Act" in New Mexico. The fundamental concept in these laws is open public access to the decision-making process.
2. Preservation of local customs and culture—Land planning should have the effect of enhancing local customs and culture. NEPA is very clear about avoiding adverse effects on the human environment. Federal agency actions are required to be examined for the impact on culture. If adverse impacts are anticipated, mitigation measures must be crafted.
3. Preservation of local economy—The productive sector of local economies is dependent on access and use of natural resources. Even the slightest curtailment of access to the natural resources that these industries depend on, can devastate rural economies. These effects are multiplied on urban centers in the form of higher cost of materials and foods and loss of circulating dollars to the services used by rural producers in the urban centers.
4. Protection of biological support system—We encourage water conservation and make available low-cost alternatives for people to consider. We are also implementing water banking to protect local water and property rights while, at the same time providing water for flow requirements of healthy riparian systems. Our land planning is based on the premise that market-driven values are the best method for protecting the environment and economy. Our land planning includes local coordinated efforts to provide for threatened and endangered species recovery which provides protection of private property interests and creates economic incentives for landowners to participate.

Panel 4

Mr. Michael Davis, Vice Chairman—Apache Survival Coalition

I have come to talk to you about Mount Graham International Observatory, a project of the USDA Forest Service. Existing legislation states that the telescope project will be allowed on Emerald Peak only. On March 1, 1993, the University of Arizona asked the Forest Service for modification of their special use permit to allow the move of the Columbus Telescope to a new mountain less than one-half mile from the present site, to peak 10298. The University plans to "construct a primitive access road, clear the telescope site, and conduct geological testing..." There is no mention of the cultural studies implicit in the NHPA legislation.

I am asking you to look into the record on this project and not allow the site change. If the Forest Service allows this move, we are asking you to make sure that the national environmental and cultural preservation laws are adhered to.

Ms. Virginia Riedel, President—Coconino County Farm Bureau and Cattle Growers

Rangeland Reform '94 will not increase agricultural income. Instead, it will spell economic disaster for rural families and communities throughout the West. BLM Rangeland Reform '94 and the Forest Service companion document are economically, ecologically, and socially unacceptable. This proposal is a political program to give government more power in the Nation's agriculture.

If you truly want to improve agricultural income, you must let the people set the goals and then government officials carry out these goals. This is not a people-driven or even a people-approved change—it is a government-driven change. The existing regulations in place provide for rangeland resource improvement now. A 230-percent increase in grazing fees will not provide a 230-percent improvement in rangeland resource management.

The proposed change in citizenship requirements means that one does not have to be a citizen of the United States to hold a Forest Service permit. Of course this will allow foreign interests to hold these permits. Foreign interests do not have a commitment to the land or its management as I do and those I represent here today.

The proposed change allows the Secretary of the Interior greater discretion of the funds obtained from the permit fees. This puts these funds in the hands of one single individual who also does not have the same commitment to the land or its management.

Rangeland Reform '94 is a flawed process! The National Environmental Policy Act (NEPA) is not being complied with to the letter or the spirit of the law. You cannot bypass this Act! We, the people, will not allow you to bypass this Act!

Ms. Ola Cassadore Davis, Chairperson—Apache Survival Coalition

I have come today to talk about Mt. Graham. It is our holy mountain and home of ga-an, our Mountain Spirit Dancers. We have been working hard to save our sacred sites from the University of Arizona's telescope project. The council has been joined by all known traditional spiritual leaders of the tribe, as well as the many Native American organizations. They have made every effort to explain their concerns, their fears and their demands to the Federal agencies, the University of Arizona and their telescope project partners, all of whom remain unmoved and unwilling to recognize what we have to say, as they also ignore the Native American's most basic right of freedom to practice their religion. I am asking you to abide by the laws of this country and protect our sacred sites and our traditional ways.

Panel 5

Ms. Cora Esquibel, Customer Advocate of FmHA's Rural Housing Program and volunteer with United Housing and Educational Development Corporation.

In 1987, I volunteered to help families relocate who received eviction notices from a mining company located in San Manuel, Arizona. We asked for assistance from the Rural Community Assistance Corporation (RCAC). RCAC met with us, but only after 10 p.m. because we were not farm workers. Since RCAC provided us with no assistance we met with Housing Assistance Council (HAC) of Washington D.C. HAC provided technical assistance for a proposal for 27 self-help houses in which UHEDC was the grantee. Technical assistance providers should not discriminate in providing needs solely to the farm worker, but to all those in need all across America. Grantees should have the right to submit evaluations performance on technical assistance providers before FmHA gives them a grant renewal.

I and UHEDC staff have experienced the strong arm tactics of FmHA when they want to cover the wrong doings of their staff.

Real estate agencies should not be allowed to get involved in FmHA 502 programs. The real estate firm and the FmHA prioritized the Hispanic immigrant over the American citizen and consequently a barrio was created. A priority should be put on monitoring the FmHA staff.

Mr. John Bushey, Jr., President—Self-Help Group #2, United Housing and Educational Development Corporation.

Farmers Home Administration (FmHA) is having problems in the way it handles its policies. For the last 3 years, I've been dealing with FmHA. First, as a home applicant in which my wife and I were approved three times and denied twice. Although we won our first appeal, we had to go through the whole interview process again. I am involved again as a member of United Housing and Educational Development Corporation (UHEDC) second self-help group.

FmHA definitely needs to streamline their procedure:

1. Experience personnel-check system
2. Define policy or procedures
3. Arbitration
4. Don't make issues a personal vendetta
5. Listen to both sides of the story

Ms. Carissa Bushey, Occupant of FmHA Financed Home (502 Self-Self Program)

I want to bring up a few issues regarding our treatment and discrimination during the time we were qualifying for our home. We were denied a loan the first time due to my poor credit history linked to a past relationship when I was 18 years old. We appealed to the FmHA county supervisor's decision and won. We were asked for a second interview and again were denied the house because of bad credit. Since we already won the appeal there was no need for a second interview or denial. We had won the appeal. Why should a County Supervisor go on her own personal feelings towards an applicant instead of following regulations, and be able to deny applicants with no one to account to?

Ms. Debora Damron, Occupant of FmHA Financed home (502 Self-Help Program)

In March 1992, I applied to FmHA as a self-help applicant in the 502 program. I wish to express the problems I have encountered since applying to the program in hopes of preventing these kinds of problems to others in the future.

Every member of the group of people who applied to the self-help program with me encountered enormous difficulty in qualifying with the Pima County Supervisor. I have seen problems arise in the area of language used in the correspondence to participants of FmHA programs. Mistakes by FmHA caused myself and other group members to pay the cost of credit checks twice. I think that FmHA should look into the

issue of helping the American citizen towards utilizing the program, and not putting the immigrant citizen into a single area to help prevent segregation, thus preventing the creation of a barrio.

Mr. Pete Montoya, Applicant to FmHA's 502 Self-Help Program

My application was submitted to FmHA's office as a self-help applicant, but the County Supervisor refused to process me with UHEDC's Group #3. I feel discriminated by FmHA because I am a handicapped person. Despite my handicap, I would be able to participate in the self-help program. I also have family who will help me if I am approved. My solution is that FmHA should not discriminate against the handicapped person.

Ms. Phyllis Spencer, Occupant of FmHA Financed Home (502 Self-Help Program)

I would like to talk about my own experience with the system under the 502 program. The County Supervisor was given so much power that it took 18 months to be called for an interview. In our cul de sac, there are 31 houses, 3 white families, 1 black family, and 27 hispanic families. If the County Supervisor had not discriminated against the white and black, our neighborhood would not have become a barrio. I suggest that someone should monitor the County Supervisor's actions to prevent this situation from happening again.

Some provisions or formula should be there for handicapped children. My daughter doesn't qualify for SSI and because of her severe medical problems I am not able to get a job to help with the income. She needs 24 hour care so this prevents me from seeking a job. I would like to see special provisions for families with handicapped children.

Ms. Betty J. Gilson, Occupant of FmHA Financed Home

I lived in an FmHA financed home which was foreclosed on. Due to medical problems, I lost hours from work and then decided to attend college to further and better my career opportunities. When I started school, I worked part-time and my income declined by 50 percent. After I fell behind on my payments, I called FmHA but was not able to speak to the County Supervisor nor any other appropriate person about my condition. I was forced to sell my home and move out in my ninth month of pregnancy. I feel that all this hardship on my family would not have happened if the real estate agent had not been allowed to represent herself as a FmHA employee or if there had been a better line of communication.

Panel 6

Mr. Patrick Lindsey, State President—National Association of ASCS County Office Employees

Return decisionmaking and responsibility back to locally elected county ASC committees. Local authority has been eroding for decades. Grassroots administration of our farm programs through these committees and their employees are the most effective and efficient means of delivery.

We have heard farmers and ranchers ask for less paperwork when dealing with the government. ASCS could eliminate a great deal of cumbersome paperwork and expense by eliminating the requirement to complete farm operating plans and payment eligibility forms for every producer who comes into an ASCS office. We seem to have overreacted in achieving the intent of the law to control program payments by requiring thousands upon thousands of producers to complete detailed farm operating plans when they will never approach any program payment limits. We could reduce this burden by as much as 90 percent if we applied these rules to those producers that are within a given dollar range of reaching a program payment limit.

We encourage the Congress, the Administration and the Department to simplify program rules and instructions. Programs have continued to become more complex and not necessarily any more effective.

Mr. Jesse Myers, Farm Program Specialist—Farmers Home Administration

The original mission of USDA was to aid rural development through education. In several publications, you have been quoted as favoring the combining of ASCS, FmHA, SCS, and FCIC. It would be more efficient to also add the Cooperative Extension Service.

Arizona is unique. With the size of this State, the varied terrain, and changing weather conditions, you should look very closely when considering USDA offices for closure in Arizona for any reason other than combining them. Farmers should farm instead of spending all day traveling to a USDA office.

Mr. Secretary, your philosophy and attitude have not reached the States. Loans are being denied without justifiable reasons, farmers are being forced into bankruptcy because they are not being informed of all their rights, some foreclosures are still being done despite your March 1993 moratorium, and discrimination is an everyday thing.

Title VI and Title VII of the Civil Rights Act should be placed under the Office of Advocacy and Enterprise (OAE). The Civil Rights divisions of the various USDA agencies should be disbanded because they are only 'excuse factories' that delay progress and speedy access to justice. Since OAE works with complaints, non-EEO complaints should also be handled by OAE. Many appeals have a discrimination connection. By having an independent agency handling all complaints and appeals, the appeal officers and examiners will not be controlled by the same supervisors that they may be making recommendations and decisions against.

Mr. Roy McAlister, President—American Hydrogen Association

Our organization would like to improve farm income by using what now goes to waste. We would like prosperity without pollution. Two new cash crops that we would like to bring to your attention are carbon and hydrogen.

Carbon can be made out of manure by using solar energy. This carbon can be used to clean the air, water, or other fluids. Other forms of carbon can be very strong and can be used to make fenders, bridges, airplanes, and consumer goods.

The other ingredient that can be taken from these wastes is hydrogen. For about 12 years we've been using hydrogen to power vehicles and showing that our vehicles are minus-emission vehicles. Hydrogen is a smaller cash crop, but important in the sense that we can see it so clearly as a replacement, a valuable replacement for the billion dollars every 5 1/2 days that hemorrhages out of our economy as we pay for foreign oil and beyond the immediate hemorrhage to our economy.

We need to make an eminent market for these new cash crops. The government needs to provide leadership and help provide a market for these new crops. If the government helps build a market for these environmentally friendly crops, we will help both the farmer and the environment.

***Ms. Lorraine (Donna) Boers, National Director—
Clean-Up Rural Environment***

We in agriculture must be properly educated so we can survive, and if the USDA cannot do the job, who can? We need education on the effects of DDT residues called DDE. We must have education and knowledge on DDE. Very little has been done with DDE because authorities don't know what to do with it. We need indepth education on DDE and means of deletion, not the cure nor the prevention of cancers, birth defects and heart disease but the elimination of the cause, at least for one leading culprit, DDE inhalation and ingestion (both).

Panel 7

***Mr. George Brooks, Ph.D. Student, University of
Arizona and Member Board of Directors in the
Arizona Aquaculture Association***

A key to profitable agriculture in Arizona is the ability to make optimal use of land and water. The integration of aquaculture and agriculture is a potentially successful method for achieving this goal. Fish are grown in pre-irrigation water, which is later used to irrigate crops. A double use of water is realized and in Arizona where water costs tend to be high, this option could be of great benefit. There are many examples but I will focus on only one.

In 1991, with the assistance of the University of Arizona Cooperative Extension, the Maricopa Indian Cooperative Association initiated the Pee Posh fish farm project as a method of diversifying the crop base and improving farm income. In a year's time, this model fish farm would have passed through it enough water to irrigate 60 to 80 acres of alfalfa. The return from the sale of the fish would have reduced the water cost burden on that alfalfa by almost \$13 per acre foot, a modest achievement which can likely be improved with further refinement.

Pee Posh was an example of how a public-private partnership can work to accelerate research and development processes. We need more like it with native American communities and farmers working in partnership with universities and private industries to talk and quickly return our farming possibilities. You at USDA can be a catalyst for this process.

***Ms. Carolina Butler, Citizens Concerned About the
Project—Scottsdale, Arizona***

The Forest Service administers the special use authorization for the Mount Graham Telescope Project held by the University of Arizona. The Arizona-Idaho Conservation Act of 1988 (P.L. 100-696 Sec. 601) required the Secretary of Agriculture to issue a special use authorization for construction of three telescopes to be located on Emerald Peak. This project in the Coronado National Forest was authorized by Congress and allowed to bypass our Nation's environmental laws. This was a terrible mistake but Congress acted on incomplete information.

This is the top environmental issue in Arizona. Eighteen plants and animals live atop Mt. Graham, which exist nowhere else. A small old-growth forest is at stake. This is also a top cultural issue among caring people throughout the world because traditional Apaches hold Mt. Graham as sacred.

Arizonians are asking the Secretary of Agriculture to stop helping the University of Arizona slide around anymore and disallow the large binocular telescope to be built on Mount Graham. There are suitable alternative sites.

Mr. Mark Grenard, Concerned Citizen—Tempe, Arizona

I understand that the Clinton administration is considering the repeal of the strongest Federal anti-cancer law on the books, the Delaney Clause of the Federal Food, Drug and Cosmetic Act, and replace it with a less protective policy based on controversial risk management methodologies. This policy change would not come anywhere near meeting the clear recommendations of the National Academy of Sciences report released in late June. On June 25th, the administration made a commitment to reducing pesticide use and promoting sustainable agriculture. The policy statement should be incorporated in legislation and used in testimony where elements of pesticide reduction are conveyed.

Comprehensive pesticide use data would be particularly helpful to USDA in establishing pest control research priorities such as the whitefly issues. The data would allow USDA to target those crops and regions that have either had the greatest success or need the greatest assistance in reducing reliance on pesticides.

All reviews of alternative pest control methods must include low-input approaches and practices being promoted in farmer-to-farmer networks, whether or not they are linked to the USDA. USDA research funds should be targeted to the development of integrated systems-based approaches that minimize the use of chemicals, on a cluster basis, where possible.

The Federal Government, through Extension Service and other means, should disseminate research and provide assistance to lessen dependence on such pesticides and facilitate a shift to least toxic pest control methods. Biopesticides essential to such approaches should be given registration priority.

Mr. John Miller, Consultant—Surefield Systems, Inc. and Star Tech Corporation

I would like to introduce two new technologies. The first one is Surefield Systems, a hydroponic system. It is a system in which the water base is replaced by a sponge which is kept moist. One of the keys to the system is a special shaft seal, about the shaft of each plant, which prevents bugs from getting in and prevents moisture from getting out. Some of the other features of the system are its lightweight because it is moisture instead of water and the proper Ph can be maintained. It can be used almost any place because it is an enclosed tank. It has spacecraft applications because of its light weight and sealed shaft. It can be used at any altitude and placed in rocky or mountainous soil. It has recently been patented and our purpose is to bring your attention to this invention.

The second new technology is a refrigeration system. It does not require the use of freon or freon substitutes, HCFCs, which have been mandated for a limited period of time. Because we have replaced the compressor with a column of water, using the gravity pressure of the water, the water moves in a circle. At the bottom you get enough pressure to recondense and recompress the refrigerant gas, and we use N-Butane, which is totally benign. We are able to accomplish the elimination of CFCs, HCFCs and poisonous HFCs, replace it with this benign gas, and also do so at an energy level substantially better than anyone else on the market, and even better than a new substitute. We have EERs of 19, compared to 15 for the best commercial systems and 10 or 12 for residential systems. Obviously, refrigeration has a large place in agriculture, from getting crops in from the field, to storing them, to transporting them. The system is not good on trucks or trains because of the high column, but is good in warehouses and storage. Both systems can be taken around the world because of simplicity, maintainability, and low cost.

Panel 8

Mr. Paul Carroll, Retired Farmer and Mr. Bob Stapleton, Advocate—American Agriculture Movement

Farm equity losses in the U.S. in the previous two administrations have accrued to \$300 billion. This damage to economic maintenance of the production agriculture industry came about by government policies that macro controlled trade and micro controlled the management of indented farms once infused with federal dollars and fraud involving government agricultural supervisory staff. American Agriculture Movement's best estimate is that about one-third of these assets is recoverable, \$100 billion. Consider this against the cost of write-down legislation currently in force. Suggested remedies:

1. An objective case-by-case examination on claims of negligence and repatriation.
2. Change the rules on appointment of county committee members such that only self-sufficient peer agricultural producers who have no outstanding government loans and who would be voluntarily exempt from obtaining loans from any government loan program, doing away with the possibility of conflict of interest.
3. Do away with piecemeal subsidy programs that only foster dependence on governmental largesse and create a false ag economy.

4. Oversight to ensure that prospective purchasers of surplus properties from government inventories don't have any special interest connection to the individuals whose decisions appropriated those properties and/or made them available and obtainable.
5. Stringent criminal prosecution of parties in or out of government who exceed the threshold of immunity designed to protect government agents' discretionary actions if it may be substantiated that action fell outside that protective envelope and there was prior intent involving harm to any fellow citizen as the result.
6. Aggressive review of the policies and activities of each State FmHA office seeking evidence of discrimination under the guise of discretionary action.
7. Amnesty program with time restrictions for government agents having knowledge of miscreant behavior to make that information available to the Office of Secretary of Agriculture for review; or upon a finding subsequent to the closing of the amnesty of knowledge, or involvement, or a passive participation, aggressive prosecution and remedial action.

Mr. Floyd N. Robbs, Farmer—Wilcox, Arizona

I want to voice my support for discontinuing the Federal Crop Insurance Program. This program cost the taxpayers billions of dollars without benefiting the farmer. The farmer has only participated in this program when he could figure out a way that he could take advantage of the program. You have farmers who plant the seed to collect the insurance, not to make a crop.

It would be a serious mistake to make all farmers participate in the program to make up the deficit piled up by the few people who took advantage of the program. If USDA farm programs aren't financially attractive to get farmers to participate, farmers will drop out of the program rather than comply.

Panel 9

Ms. Susan Franck, President—Arizona Ostrich/Emu Breeders Association

Ratites are a family of birds which include the ostrich, emu, rhea and cassowary that are being commercially ranched for meat, hide, oil and other byproducts. Advantages of these birds include prime red meat with the nutritional qualities of turkey; feed utilization resembling poultry resulting in high weight gain to low feed consumption; and high production on small parcels of land.

The State recognizes the advantages that ratite breeders are bringing to Arizona as an important new agri-business for the future. Small, rural communities are enjoying new sources of employment and income from ratite ranchers. Millions of dollars are being invested in these communities through the purchase of land, facilities and equipment. Hundreds of thousands of dollars are being pumped into the local economy as wages, giving new economical support to previously declining agricultural communities.

The ratite industry in the United States would like to receive acknowledgement from the Federal Government as to the reality of its viability. Concerns we have include the close supervision of privately and federally operated quarantine stations allowing eggs and chicks into the country. It is not only a matter of inspecting for diseases that affect poultry, but also actively developing tests that will identify pathogens and parasites that could affect the ratite population. A permanent marking system identifying imported chicks is also an important issue for the ratite industry.

A second major concern is the USDA classification for slaughter and meat processing purposes. The tendency to think of these birds as poultry or livestock is incorrect. Poultry facilities are not appropriate for 300 pound birds nor are they set up to carefully remove and handle valuable hide and feathers which have much greater value than turkey or chicken hide and feathers. Although the meat of the birds is more similar to beef in its appearance, muscular structure, cuts of meat and processing, the avian species would be difficult to slaughter with typical livestock.

We need to look toward the future and not depend on old rules, regulations and guidelines that bog down the progress of this important new industry. An innovative approach is what is required today to launch the ratite industry toward its natural future.

Mr. Phillip K. Knight, Rancher—Wickenburg, Arizona

I represent the average family rancher in Arizona that uses public land. I have done everything I can to improve the range on my ranch. I have had spectacular success with my riparian area. It has gone from one of the worst riparian areas to possibly the best in Arizona. Now I stand to see all my efforts stopped due to an unreasonable grazing fee increase.

Most family ranchers will be forced to sell their private land and move to town after they find that they can no longer graze livestock on public land. Very few family ranchers will be able to continue on private land alone. Those lands will be bought up by speculators and developers and will not be able to continue as the beautiful open land they now are.

In the West, the best lands are privately owned and the poorest belong to the public. Public lands being poorer are more expensive to graze. Those on public lands should pay the same fees as are charged on private makes no sense. The Federal Government has in the past paid private contractors to improve public land. Why not give the rancher an incentive to improve public land?

Dr. Wally Hofmann, Vice President—Natural Cotton Colours, Inc.

Organic cotton production is a small but quickly growing niche being driven by environmental concerns. Many major textile manufacturers are now producing certified organic fabrics. Organically grown Arizona upland cotton is currently bringing the grower \$1.15 (as compared to 60 cents for conventional cotton) and experience has shown that yields can be comparable to conventionally grown cotton.

Currently, the demand for certified organic cotton outstrips supply both domestically and internationally. Clearly, there is an opportunity for cotton growers to increase the value of and the return on their crop and to increase exports.

The growing organic farming movement is encouraged by the work of the National Organic Standards Board, with the cooperation of the USDA, in developing standardized rules and regulations for the production of certified organic food and fiber.

The USDA and ARS need to commit more resources for research on organic farming techniques. We should all remember that all farming was organic until fairly recently. We need to relearn some of the old and develop some new management tools. Currently, the most pressing needs are for weed control, fertility, and cotton defoliation.

Before joining Natural Cotton Colours, I was a research scientist at the USDA/ARS Cotton Research Center in Shafter, California. At the time I left, about 2 years ago, there was a total lack of leadership and direction at that facility. In my estimation, the \$1 million budget was a tragic waste of the taxpayers' money. I strongly recommend that the USDA Shafter Cotton Station be dedicated to organic research.

Mr. Dennis Moroney, Cattle Rancher—Cross U Ranch, Prescott, Arizona

I am a cattle rancher and permittee and presently own and operate the Cross U Cattle Company of Prescott, Arizona. We graze cattle on the Williamson Valley Allotment on the Prescott National Forest. I was shocked by the reasons given for proposing a revision of the grazing fee system.

Anyone involved in the Western livestock grazing industry knows that the following facts must be taken into consideration. Private lands in the West came into private ownership in large part as a result of the homestead laws enacted after the Civil War. Those lands that were more productive were claimed for homesteads and those less productive fell into Federal ownership. The privately held land in the Western States is most often the very best land around. Its productive potential far outweighs that of the Federal lands. In many cases, private lands are irrigated and improved pastures with carrying capacity in excess of two animal units per acre. Compare that to our area in northern Arizona where it takes more than 100 acres to support a single animal unit.

In order to graze livestock on Federal land, one must own the commensurate property, and on Forest Service allotments one must also own the livestock. Grazing preferences on ranches consisting of national forest range are bought and sold in conjunction with the deeded lands belonging to the ranch. Ranches bought and sold throughout the West are valued based on the deeded land, the improvements, the water developments, and the size and duration of the grazing permit.

I request that a very complete study of the market value of Federal grazing permits be included in any grazing fee proposal to be considered under this action. In considering the scope of the environmental impact statement to be prepared by the Department of the Interior, I feel that it is essential to give complete coverage of the following issues:

1. The true market value of Federal forage.
2. The benefits realized by the public from Federal grazing permits.
3. The actual condition of Federal grazing lands.
4. The actual range potential of specific range sites.
5. Comparison of rangeland condition data with wildlife habitat condition data.

Mr. Conrad Gingg, Dairy Farmer—Tempe, Arizona

I am in favor of increasing farm exports, especially into Mexico, and am in favor of ratification of NAFTA. Last year the U.S. exported over \$125 million worth of dairy products into Mexico, while only importing \$3 million of dairy products, mainly cheese from goat milk.

Protectionism will only destroy the competitive and efficient U.S. dairy farmer. To increase farm exports, we must have product available for direct export and for various dairy incentive export programs. We must have product available for USDA, since it sets the breakfast and lunch table for some 25 million school children each day.

Panel 10

Mr. Bert Tolleson, Entrepreneur and Former Government Official

I would like to focus on the necessity for increased emphasis on building foreign markets. I hope our agriculture attaches become commercial attaches. We have a tremendous opportunity to increase markets for American farmers and reach people who have a need.

Ms. Virginia Harris, Citizen—Scottsdale, Arizona

I want to protest building a bridge across Red Rock Crossing in Sedona. This is a park with a splendid view that attracts tourists from all over the world. If there is going to be development, they can get there on horse or foot.

Submitted Papers

Ms. Pat Zimmerman, State President, Washington—Women Involved in Farm Economics (WIFE)

We need a prosperous agriculture. It would be better for the environment and for the economy. In spite of USDA figures to the contrary, we don't really have it. It is foolish and very costly to allow a few powerful private companies manipulate our food supply and the prices farmers receive for their production when the impact on our economy is so devastating. I urge our Congress and our President, who are all searching so desperately for a solution to the economic crisis currently facing our Nation, to stimulate agriculture and allow it to help heal the rest of our economy and begin erasing our staggering national debt. We must take back the power that has been exercised so selfishly over agriculture for these many years and return our Nation and world to the prosperity we deserve.

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